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CANADIAN CONTROLS ON THE EXPORT OF ARMS AND STRATEGIC GOODS

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INTRODUCTION

Like many countries, Canada regulates the export of weapons and technologies which could be used for military purposes. Such regulation is broadly referred to as the "control of strategic exports." Western countries have, individually and collectively, developed rules of conduct on trade in strategic products. Since the end of the Cold War and the conflict with Iraq, these control policies have become the subject of a general review.

HISTORY OF STRATEGIC EXPORT CONTROLS

Exports intended for military use have long been subject to controls, primarily so as to maintain a strategic advantage over opponents. For example, for centuries, popes and European monarchs called for restrictions on the trade of weapons and certain strategic products (e.g., wood for shipbuilding) with the Ottoman Empire. However, during the nineteenth century, a period marked by the industrial revolution and a long peace beginning with the Congress of Vienna, weapons exports were almost without restriction. Change occurred after the First World War, a conflict attributed by many to the arms race at the beginning of the century — an arms race fuelled by the commercial activities of the major weapons manufacturers of the day, the so-called "Merchants of Death." During the period between the two world wars, there were a number of proposals to limit or abolish the arms trade: nationalization of arms companies, parliamentary control of exports, and "transparency" in the arms trade. These suggestions were never fully implemented, but in several cases they had an impact on legislation and still influence political debate to this day.

During the Cold War, Western governments established regulations over a wide variety of strategic products, controlling their export to the Soviet Union and its allies. Within the Coordinating Committee for Multilateral Strategic Export Controls (COCOM), the members of NATO (with the exception of Iceland), Japan and Australia drew up lists of strategic products and countries subject to restrictions. They agreed not to sell or transfer strategic products to specific countries and to require that their other customers not transfer to the East any such imports from the West. COCOM was formed during peacetime but its activities have been similar to embargoes which have always been applied during war. The relative secrecy which still surrounds the export control process is due in part to the Cold War origins of this policy.

Fear of the proliferation of nuclear weapons has also had an influence on export control policies. Since the 1950s, the nuclear industry has been gradually subjected to national and international controls to prevent its products from being diverted and used to develop nuclear weapons. The precedents established in this area have provided some guidance for control measures implemented in other industries, such as the chemical industry.

Control policies continue to evolve. First, as the Cold War has faded, there is less demand for export controls against the USSR and its former

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allies. Second, in recent years attention has turned to the proliferation of weapons of mass destruction in the Third World. In response, Western governments have developed multilateral systems to control the export of missiles and products used to manufacture chemical weapons. Third, the public has come to demand more insight and input into the making of strategic export control policy.

PRINCIPLES GOVERNING THE CONTROL OF STRATEGIC EXPORTS

Underlying current policies on the export of military products is a well-known principle; namely, that for political and moral reasons, military exports are not like other exports and must be subject to certain restrictions. This principle is a product of both the idealism of the 1920s and the realism of the 1940s. In most Western countries, the basic legal approach is that exports of weapons of war are banned, unless authorized by the government.

The export of dual-use technology, that is technology which has both civilian and military applications, is dealt with differently. Exports are allowed, but the government reserves the right to ban particular exports, or limit them to certain countries.

Governments grant or refuse permits for the export of weapons and dual-use technology on the basis of international agreements which they have signed, and in accordance with their own political, economic and moral objectives.

There are many reasons for controlling strategic exports. First, political leaders consider the national interest better served by a policy of export controls than by the free market. By regulating exports, governments are able to reduce the likelihood that arms and advanced technology will be transferred to avowed or potential enemies. They can also influence the policies of states by restricting or allowing strategic exports to them.

Second, export controls can help protect continued military production. Most countries with an arms industry have to export to make the industry viable. However, there is sometimes considerable domestic opposition to this trade. With export controls, arms manufacturers can argue that their business is legitimate since it is approved and controlled by the government. The regulation of exports also shelters firms which produce dual-use technology from the charge that they are in fact arms merchants.

Third, export controls serve a moral purpose. Many believe that regulation of the arms trade promotes human rights, justice and peace. Control policies make it possible for political leaders and the public to reconcile themselves to the moral dilemma facing them — that although they would prefer a disarmed world, they are obliged to recognize the harsh realities of international life. Partly in response to these concerns, Canadian governments have attempted to apply a policy of not selling arms to states which are "involved in or under threat of imminent hostilities" or to countries with consistent records of gross violations of human rights.

The compromises which governments have accepted in their export control policies have given rise to a number of paradoxes. For example, Western governments speak of the dangers of excessive armament but still authorize unrestricted sales of military hardware to their allies. Controls on the trade of strategic products are described as necessary for the security of the world, but they may also harm developing states' economic progress by denying them certain technology. This in turn may create new security problems as a consequence of underdevelopment.

Those who reject trade-offs in the making of strategic export policy focus on these paradoxes to advance their argument. There are many critics who maintain that any trade-off in controls policy is unacceptable, and therefore the strict regulation of arms exports should be applied equally to all concerned and in all circumstances. In the extreme, some argue the best possible solution is to ban the production and trade of arms. However, the cynics make the opposite case: since a world without arms is not within reach, and the tensions present in export control policies cannot be resolved, such efforts at control are demonstrably futile.

CANADIAN LEGISLATION AND CONTROLS ON STRATEGIC EXPORTS

Background

The concept of strategic export controls became integrated into Canadian legislation only in 1954. Previously, the export of arms and military production was governed by the old *Customs Act* (Section 29), which authorized cabinet to prohibit exports of arms or military material. In 1937, the *Customs Act* was amended to give cabinet greater power over arms exports. The Order in Council of 30 July 1937 prohibited anyone from exporting military goods without first obtaining a permit from the Minister of National Revenue.

In 1947, the *Export and Import Permits Act* replaced the *Customs Act* as the main instrument of control over exports. Subsection 3(1) stipulated that exports for military purposes should be placed on a

special list established by the Governor in Council.[1] Subsection 3(2) authorized the Governor in Council to establish a list of countries to which export restrictions applied. Under Section 5, exporters of the goods mentioned in the lists were required to obtain an export permit, and sanctions were provided in cases of non-compliance. Therefore, the main components of a control system were put in place although the Act did not address the question of strategic products, and there were shortcomings in the restriction procedures.

The 1954 Export and Import Permits Act

Canada joined COCOM in 1950 and immediately began to tighten its control system. On 15 March 1954, the new *Export and Import Permits Act* was introduced, which for the first time referred to the trade of strategic goods.[2] This Act is still in effect, although it has been amended often. Section 3 authorizes the Governor in Council to establish an "Export Control List" (ECL) for purposes such as the following:

> (a) to ensure that arms, ammunition, implements or munitions of war...or any articles deemed capable of being converted thereinto or made useful in the production thereof or otherwise having a strategic nature or value will not be made available to any destination where their use might be detrimental to the security of Canada.

The Act requires that an export permit be obtained before transferring any strategic goods, which would include not only military articles but also those which would be designated today as "dual-use technology." Paragraph (d) provides that products and countries covered by certain international agreements to which Canada is a party (such as COCOM), be included in the Canadian control list.

As in the 1947 Act, the Governor in Council is authorized to establish an "Area Control List", that is a list of countries to which *no* goods may be exported without a permit. Subsection 4(1), added in June 1991, authorizes cabinet to establish an "Automatic Firearms Country Control List" made up of countries which have agreements with Canada in the areas of defence, research and development or production. Only countries on this list may receive automatic firearms from Canada.

Section 7 stipulates that only residents of Canada may apply for an export permit. The regulations of 27 May 1954, which are still in effect, specify that companies with their head office or a branch in Canada meet this requirement. Limiting licences to the country's residents is designed to help regulate the international trade in arms by restricting the opportunities for intermediaries to do business.

The Act stipulates that Canadian exporters must obtain an export permit from the minister responsible, initially the Minister of Trade. After International Trade and External Affairs were integrated in 1982, responsibility passed to the Secretary of State for External Affairs.

The establishment of control lists is strictly the prerogative of the executive, and there is no parliamentary consultation required. The minister is required only to provide to Parliament an annual report of the operations under the Act. The executive is not obliged to publish the content of the lists, details concerning operations under the Act, or information on the number or type of permits issued. The cabinet may cancel, amend, or re-establish any Area Control List. It may decide on the information and undertakings to be required of permit applicants and holders, issue "general" permits, and even exempt "any person or goods or any class of persons or goods from the operation of any or all of the provisions of this Act."

The Atomic Energy Control Act

Passed in 1946, this Act also concerns the control of strategic exports since it authorizes the Atomic Energy Control Board (AECB) to issue, with the approval of cabinet, permits for the possession, use and sale of substances or articles which could be used to produce nuclear energy.[3] Most of the nuclear items are also included in the Export Control List, and therefore require an export permit from the Department of External Affairs and the AECB. However, some non-strategic nuclear materials (non-fissile radioisotopes used in research, medicine, agriculture and industry) are not on the ECL and only an AECB export permit is needed.

The United Nations Act

This Act gives cabinet the powers it requires to implement, pursuant to Article 41 of the UN Charter, any decision of the UN Security Council.[4] It authorizes the executive to implement non-military coercive measures to safeguard collective security, particularly the interruption of economic relations. It allows the Canadian government to block all exports, not just of goods but also of services, capital and labour. The 1990 embargo against Iraq was implemented on the basis of this Act.

Amendments to Legislation Governing Arms Exports

Amidst considerable controversy, in June 1991 the government amended the *Export and Import Permits*

Act and the *Criminal Code*, thereby allowing the export of automatic firearms.[5]

In 1976, Parliament modified the *Criminal Code* by declaring illegal the possession, sale and transfer of automatic weapons in Canada (with the exception of weapons needed by the police and military). Since possession was banned by this change, the export of such goods became illegal.[6] Afterwards, some Canadian arms exporters long complained of discrimination against them by the government. The government response to their complaints was to pass legislation in June 1991 amending the regulations governing the sale of automatic weapons.

The new Act (Bill C-6) amended Section 4 of the *Export and Import Permits Act* to authorize the Governor in Council to establish an Automatic Firearms Country Control List. It also amended the *Criminal Code* by legalizing the possession and transfer of automatic firearms in the context of commercial activities, so long as they are declared to the government and authorized by it. The amendments to the *Criminal Code* constitute the essence of the new legislation. The amendments to the *Export and Import Permits Act* were not necessary, and the export of automatic firearms could have been regulated through the Export Control List, as is the case for other arms transfers. The Automatic Firearms Country Control List was added to reassure the opposition and the public about the government's commitment to arms export limitations.

PRINCIPAL RESTRICTIONS ON CANADIAN STRATEGIC EXPORTS AT THE PRESENT TIME

The Export Control List

This list includes all products and destinations for which an export permit from the Department of External Affairs is required.[7] The following describes the list as it stands in 1991; it will be amended in early 1992.

The export restrictions of the ECL apply in particular to countries deemed by COCOM as threats to Western security. These countries are Albania, Bulgaria, the People's Republic of China, North Korea, Hungary, Mongolia, Poland, Romania, Czechoslovakia, the Soviet Union and Vietnam.

The list is divided into five groups of strategic items. Group 1 comprises dual-use goods and technology, from data processing equipment to aeronautics, and including machine tools and alloys. Group 2 covers goods specially designed or modified for military purposes, particularly weapons. Group 3 includes atomic materials and equipment, from uranium to nuclear power stations. Group 4 is general in nature, covering technology and confidential information used to produce items found in other groups. Group 5 contains items for which permits are required: (a) for strictly economic reasons; (b) to safeguard national security; or, (c) to fulfil international obligations other than those resulting from membership in COCOM (for example, chemical products used to manufacture combat gas, whose sale is regulated by the "Australia Group").

There are four levels of controls for Canadian exports. The "General Exception" level covers top secret technology for which an export licence application requires a thorough examination. "Administrative Exception" controls apply to the least strategic articles. "Favourable Consideration" level and "China Administrative Exception" apply to goods of medium strategic value. The latter category was adopted in the 1980s to distinguish China from other communist countries. It was thought that China represented a lesser danger in view of its rivalry with the USSR and its opening-up to the West. However, since the events of Tiananmen Square in 1989, Canada has not extended the favourable exemptions allowed to China.

Canadian exporters are required to provide information on the nature and destination of goods by completing the appropriate questionnaire. They must also obtain supporting documents from their customers proving that the exports reached their proper destination and that they will not be diverted to prohibited destinations. Canada and other members of COCOM provide "International Import Certificates" and "Delivery Verification Certificates" for goods covered by the General Exception and Favourable Consideration categories. Such documents are not generally required for Administrative Exception goods. In the case of countries not participating in the system developed by COCOM, Canada requires "Import Licences" and "End-Use Statements."

All items in Groups 1 and 2 of the ECL, and some of the nuclear items in Group 3, are from COCOM. The COCOM lists containing dual-use items, ammunition and nuclear products have been regularly updated over the last forty years. From September 1990 to May 1991, a major reform took place as the parties to COCOM decided to remove some of the items on the list of dual-use technology and to retain a "hard core" of advanced technology in the following areas: data processing, communications, electronics, aeronautics, biotechnology, underwater technology, machine tools and industrial materials. The list will now be renegotiated every two years. In the case of ammunition and nuclear items, review of the COCOM lists will begin next fall, but no major changes are expected. The ECL had already been revised in 1989, and is currently under revision again to take into account the recent COCOM changes.

Two important additions have been made to the ECL during the last decade. First, since 1984 controls have been placed by the principal producers, meeting as the Australia Group, on the export of products used to manufacture chemical weapons. The countries concerned established a list of fifty ingredients of combat gas, or "precursors", for which permits are required if they are to be exported to certain countries. The list is included in Group 5 of the ECL. Missile technology is the second important addition to the ECL since the establishment of the Missile Technology Control Regime (MTCR) in 1987.[8]

The ECL has its critics. Except in the case of nuclear items and certain elements of Group 5 (mainly those included for strictly economic reasons, such as softwood lumber), anyone wishing to export strategic goods or arms to the United States does not need a permit. This exemption from permits is part of the Defence Production Sharing Agreements signed by Canada and the United States in 1959. Military trade with the United States is enormous, but almost completely secret.

Area Control List

Since COCOM-targeted countries were removed in 1986, this list has only two countries on it. Libya was placed on the list in 1986 because of its support of international terrorism, and South Africa in 1989 because of its policy of *apartheid*. An export permit is required for all transfers to these two countries. Most export applications are refused.

Automatic Firearms Country Control List

This new list comprises ten countries with which Canada has signed bilateral agreements on defence, research and development, or production. These are the only countries which may receive automatic weapons from Canada. They are: the United States, Great Britain, France, Germany, Italy, the Netherlands, Belgium, Denmark, Norway and Sweden. The government is expected to add the name of Saudi Arabia to the list so as to allow the delivery of light armoured vehicles with 25mm rapid-fire guns sold by General Motors of Canada.

Cabinet Guidelines on Arms Exports

On 10 September 1986, the Mulroney government published the guidelines applied by cabinet in deciding on arms sales to other countries.[9] It was the first time in the history of Canada that such rules were made public. The Minister of External Affairs, Joe Clark, stated at the time that Canada "would closely control" the sale of military goods and technology to countries: (a) which threaten Canada and its allies; (b) which are "involved in or under threat of imminent hostilities"; (c) which are subject to the sanctions of the UN Security Council; and, (d) "whose government has a persistent record of serious violations of the human rights of their citizens, unless it can be demonstrated that there is no reasonable risk that the goods might be used against the civilian population." In the spirit of these guidelines, cabinet is updating the secret lists of countries to which the export of military goods is closely controlled.

The official press release suggested that the criteria made public were an adaptation and update of criteria which had been applied for some time and last reviewed in 1978. For example, it stated that changes were made to the guidelines on restrictions against countries which violate human rights, so as to make them easier to apply. It should be noted that Canadian guidelines distinguish between military and non-military goods intended for armed forces, and between offensive and non-offensive weapons. The purpose of these distinctions is to give the government greater flexibility in facilitating exports of typical Canadian industrial products, such as telecommunications systems or their components, transport aircraft, and their parts, trucks, trailers and rolling stock.

Canada's Nuclear Non-Proliferation Policy

Canada sells nuclear products under conditions defined by its membership in the International Atomic Energy Agency (IAEA) and the "London Suppliers' Group" (LSG), its adherence to the Non-Proliferation Treaty (NPT), and by public statements made in 1974 and 1976.

The NPT requires that non-nuclear weapons states signatory to the treaty submit their nuclear facilities to IAEA full international safeguards. However, as the NPT does not address safeguards on sales to non-signatory countries, a group of IAEA nuclear-producer countries drew up a list of items in the 1960s (Zangger list), all exports of which should be subject to IAEA safeguards. This list was subsequently revised and then broadened as part of the discussions of the London Suppliers' Group. The items on the list are included in the ECL.

Since 1974, the Canadian government has required the application of IAEA safeguards or their equivalent, not only for exported products but also for their derivatives and for materials and systems using Canadian products. Thus, the "contamination" principle is applied; anything in a customer's nuclear programme closely or remotely connected to products exported by Canada must be subject to IAEA safeguards. Canada also requires that its customers agree to submit for its approval any retransfer of nuclear products and the enrichment of Canadian uranium to over 20%. It should be noted that Canada applies the principle of extraterritoriality (i.e., the application of domestic law beyond

national borders) for purposes of nuclear cooperation, even though in theory this principle is not recognized by the government.

In 1976, the Trudeau government adopted an even more restrictive policy. It required that the complete nuclear programme of Canada's customers who had not signed the NPT be subject to IAEA safeguards or their equivalent. This is the policy of "full-scope safeguards."

Other Restrictions

As stated above, radioactive isotopes not referred to in the ECL do however appear on an AECB control list. Also, under the United Nations Act, there is at present a ban on exports to Iraq.

CURRENT DEBATE ON THE CONTROL OF STRATEGIC EXPORTS

The Future of COCOM Export Criteria

As members of COCOM, Canada and its allies take many decisions which though technical in nature, in fact concern justice, peace and international order. These decisions are taken against the background of the competing interests of industrialists, Eastern European countries, the developing world and pressure groups.

Western industrialists and the governments of Eastern Europe consider COCOM restraints to be discriminatory measures against them. However, many political leaders and experts advocate the maintenance of restrictive export policies, partly to slow down the Soviet military effort but also to counter weapons proliferation in the Third World.

The Canadian government is therefore caught between the pressures of trade liberalization on the one hand, and the struggle to contain arms proliferation on the other. The multilateral review of the COCOM dual-use products list, which began last year, led to a compromise solution. The list has been retained, but it has been liberalized by authorizing many exports of technology to Eastern European countries. Along these same lines, once amended, Canada's ECL will only restrict exports of very sensitive technology.

The debate on the proliferation of weapons to the developing world has created a new wave of interest in COCOM. Some people have spoken of a "North-South COCOM" to limit the transfer of strategic technology to the Third World, although the Third World is very much opposed to the idea. COCOM, however, was created to deal with the specific case of strategic exports to the East bloc, and would not be well-suited to this new task.

Controls on missiles and chemical and nuclear weapons, as well as possible future restrictions on the transfer of conventional weapons, are more promising non-proliferation measures than is the control of dual-use technology, as exercised by COCOM. This approach also has the advantage of being far more acceptable both to Canadian industry and also to those people wishing to promote technological progress in the developing world and Eastern Europe.

Nuclear Exports

Canada's policy on nuclear exports is accepted by the vast majority of the population. However, there has been debate recently on a few aspects of Canadian nuclear trade. Even though Canada does not export critical nuclear materials for use in weapons programmes, it is feared that some Canadian products may serve directly or indirectly in the manufacture of nuclear weapons.

First, there is the issue of tritium. This extremely rare gas, which is produced through nuclear fission, is made in Canada and will soon be exported for various industrial uses. Tritium is also used to enhance the power of nuclear explosions. The sale of tritium abroad requires an AECB permit. However, the gas is not subject to IAEA international safeguards, and many people fear that it may be used for unauthorized purposes. For this reason, in 1986 the Canadian government published guidelines on tritium, specifying the criteria to be applied when verifying that it is used for peaceful purposes. Canada has encouraged other tritium suppliers to apply such standards. Canada's proposal to this effect was supported at the last NPT review conference, and it is expected that transfers of tritium will soon be subject to international rules.

There has also been criticism of Canadian exports of depleted uranium. Depleted uranium is a by-product of the manufacture of enriched uranium. It is used in hydrogen bomb casings and in the production of plutonium. Depleted uranium is not produced in Canada but is purchased from the United States and further processed in Canada into industrial products. The metal processed in Canada and exported back to the United States is not covered by the Canadian "non-fungibility" rule. This rule provides that only the exported Canadian nuclear materials, and not the equivalent quantity in the stockpile of the customer, is subject to guarantees of non-explosive use. Because the rule is not applied to depleted uranium, there is no guarantee that depleted uranium of Canadian manufacture is not being used in the US nuclear arsenal. However, Canadian government officials and

industrialists argue that because depleted uranium is plentiful and inexpensive, the US does not need a Canadian supply for their nuclear arsenal.

To strengthen non-proliferation efforts, further measures have been suggested to limit the supply of products for nuclear use. Recently, Canada supported the US initiative at the LSG to establish a list of dual-use products (nuclear and non-nuclear applications), the transfer of which would require export permits. These products would include certain types of computers, robots, equipment related to nuclear-generated electricity, and equipment to produce heavy water. The Group of Seven supported this proposal at the London Economic Summit in July 1991. However, it is not yet known whether the list will be administered by the LSG or by the IAEA.

Regulations on Arms Sales

Canada's diplomatic initiatives during the war in the Persian Gulf, and the recent adoption of Bill C-6 have stimulated debate on the criteria used in the development of this country's arms sale policy and its administration. The hearings of Legislative Committee "E", which studied the question in June 1991, provided a forum for a variety of views.[10] It can be seen from the statements of MPs and witnesses that the Canadian public seems to approve of the four major principles established by cabinet regarding arms sales. However, many think that their application does not go far enough. John Lamb of the Canadian Centre for Arms Control and Disarmament believes that Canada's policy on arms sales has eroded since the 1970s. He considers that Canada is too ready to sell products to Third World countries whose strategic situation is unstable and/or which do not respect human rights. He cited the recent sale of armoured vehicles to Saudi Arabia as an example.

Several measures have been proposed to oblige the government to maintain a firm line on arms exports. One is to include guidelines on arms sales in Canadian legislation. Another is to involve Parliament in decisions on arms exports, at least as regards the establishment of lists of countries to which such exports are banned. The Canadian government, through the Minister of Trade Michael Wilson, has objected to these reforms on the grounds that involving Parliament in the debate over which states should be banned from receiving arms exports would result in policy paralysis. It is also argued that parliamentary involvement is not necessary since arms exports are closely monitored by cabinet.

Openness and accountability are at the core of the current debate on arms sales policy. To some extent, recent Canadian policies do address these issues. This year, the government published its first annual report on Canadian arms sales. In addition, Canada will participate in the international arms sales register, an initiative endorsed by the G-7 states at the 1991 London Economic Summit. However, there are still grounds for concern: for example, cabinet is still the only body which makes and applies arms sales policy. In addition, sales to the United States are not declared and do not require an export permit.

Ernie Regehr of Project Ploughshares has proposed that Canada's policy on arms exports should be directive rather than simply restrictive.[11] In other words, instead of restricting exports on the basis of criteria such as actual or imminent conflict, Canada should authorize arms sales on the basis of political and moral grounds. Canada would therefore use positive rather than negative criteria to determine the countries which could receive its exports. Furthermore, arms sales should be conducted only on a government-to-government basis, as part of official agreements subject to public debate. Regehr also proposes that military goods be defined according to their destination (e.g., the armed forces) rather than their nature. He thus rejects the distinction between the sale of arms and the sale of non-military items intended for the armed forces since many products, such as trucks or radios exported by Canada, are not weapons but are still essential to modern warfare. All transactions, including those with the US, should be public knowledge, and Canada should demand a guarantee regarding end use for all exports, including components. Lastly, Parliament would establish a list of acceptable customers and those to whom exports would be forbidden.

Many people in industry and government oppose these views. They believe that government-to-government agreements, non-retransfer clauses, and the disclosure of contracts would be harmful to an industry which employs thousands of people and is important to national security. Requiring authorization for all goods intended for the armed forces would entail a vast number of permits and create some ridiculous situations where the most trivial items would require permits. The imposition of government-to-government agreements and close parliamentary control would reduce the flexibility the government needs to promote the national interest. Disclosing the lists of countries to which arms exports are prohibited could harm Canada's diplomatic relations.

However, the debate seems to be turning in favour of the advocates of reform. The hopes raised by the end of the Cold War, the very distressing example of the over-arming of Iraq, the weakness of Canada's military industry, and the changing public attitude toward arms sales are all factors contributing to demands for a stricter arms export regime and more openness in the

making of such policy. Furthermore, although the Canadian government has made several arms export proposals on the international scene,[12] the events surrounding Bill C-6 raise questions about the consistency of efforts in this area. There is considerable pressure being exerted on the government to listen favourably to those who demand tighter controls over Canada's arms trade.

The majority of government critics do not deny the right of nations to provide for their defence or the role of the military industry in arming the Canadian Forces and their allies. They argue the case of Iraq demonstrates that countries selling arms must recognize their responsibility for the course of international events, and that it is in their long-term interest to limit arms proliferation. There are also more and more Canadians who believe that the democratic process would be strengthened if arms sales were submitted to closer public control.

CONCLUSION

The movement to limit strategic exports by Canada is at an important stage in its evolution. The COCOM list has been shortened and is no longer as important as it once was. At the same time, the need to control dual-use technologies employed to manufacture nuclear and chemical weapons and missiles has become increasingly clear.

More and more interest is being shown in the issue of arms exports. Canada has been promoting transparency and restraint in the sale of arms, but has left itself open to criticism by promoting the sale of light armoured vehicles to Saudi Arabia and allowing the export of automatic weapons. At the upcoming hearings of the subcommittee of the House Standing Committee on External Affairs and International Trade, the partisans of the *status quo* will be attacked for the neglect of moral and political factors, while the defenders of stricter norms will fight accusations of excessive moralism. A new equilibrium between these contending views will have to be found in dialogue. This should inspire the government's decisions on arms export policy.

NOTES

1 *Export and Import Permits Act*, Revised Statutes of Canada, 1953, c. E-17 (the abbreviation "R.S." is used subsequently to designate the 1985 Revised Statutes).

2 *Export and Import Permits Act*, R.S., c. E-19.

3 *Atomic Energy Control Act*, R.S., c. A-19, s.9.

4 *An Act respecting Article 41 of the Charter of the United Nations*, R.S., c. U-3.

5 *An Act respecting the exporting, importing, manufacturing, buying or selling of or other dealing with certain weapons*, adopted 19 June 1991.

6 *Criminal Code*, R.S., c. C-34, particularly Sections 84 to 105.

7 See Canada, External Affairs and International Trade Canada, *A Guide to the Export Control List*, August 1990.

8 For further discussion of the MTCR, see: Marie-France Desjardins, *Ballistic Missile Proliferation*, Background Paper No. 34, CIIPS, Ottawa, September 1990.

9 Canada, Department of External Affairs, "Export Controls Policy," *Communiqué* No.155, 10 September 1986, and "Export Controls Policy: Background Paper," and "Export Controls Policy: Questions and Answers" (Attachments to *Communiqué* No. 155).

10 See the *Minutes of Proceedings and Evidence of Legislative Committee "E" on Bill C-6*, 11-13 June and 17 June 1991.

11 Ernie Regehr, *Arms Canada*, Lorimer, Toronto, 1987.

12 For example, on 8 February 1991, the Prime Minister and Secretary of State for External Affairs delivered simultaneous addresses in Ottawa and Quebec City in which they stated Canada's desire to restrict the proliferation of weapons. They proposed a world summit on the instruments of war and weapons of mass destruction.

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